

Reporting and recordkeeping requirements, Transportation.

Accordingly, we are adopting as a final rule, without change, the regulations at 7 CFR 301.50 through 301.50-10, as established and amended by interim rules published at: 57 FR 54492-54499 on November 19, 1992; at 58 FR 6346-6348 on January 28, 1993; at 58 FR 28333-28335 on May 13, 1993; at 58 FR 34681-34683 on June 29, 1993; at 58 FR 63024-63027 on November 30, 1993; at 59 FR 39937-39941 on August 5, 1994; at 59 FR 52891-52894 on October 20, 1994; and at 60 FR 2321-2323 on January 9, 1995.

Authority: 7 U.S.C. 150bb, 150dd, 150ee, 150ff, 161, 162, and 164-167; 7 CFR 2.22, 2.80, and 371.2(c).

Done in Washington, DC, this 25th day of January 1996.

Lonnie J. King,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96-1855 Filed 1-30-96; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 226

[Regulation Z; Docket No. R-0915]

Truth in Lending

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of adjustment of dollar amount.

SUMMARY: The Board is publishing an adjustment to the dollar amount that triggers certain requirements of Regulation Z (Truth in Lending) for mortgages bearing fees above a certain amount. The Home Ownership and Equity Protection Act of 1994 sets forth rules for creditors offering home-secured loans with total points and fees payable by the consumer at or before loan consummation that exceed the greater of \$400 or 8 percent of the total loan amount. The Board is required to annually adjust the \$400 amount based on the annual percentage change in the Consumer Price Index as reported on June 1. The Board has adjusted the dollar amount from \$400 to \$412.

EFFECTIVE DATE: January 1, 1996.

FOR FURTHER INFORMATION CONTACT:

Michael Hentrel, Staff Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, at (202) 452-3667. For the users of Telecommunications Device for the Deaf only, please contact Dorothea Thompson at (202) 452-3544.

SUPPLEMENTARY INFORMATION:

Background

The Truth in Lending Act (TILA; 15 U.S.C. 1601-1666j) requires creditors to disclose credit terms and the cost of consumer credit as an annual percentage rate. The act requires additional disclosures for loans secured by a consumer's home, and permits consumers to cancel certain transactions that involve their principal dwelling. The TILA is implemented by the Board's Regulation Z (12 CFR part 226).

On March 24, 1995, the Board published amendments to Regulation Z implementing the Home Ownership and Equity Protection Act of 1994 (HOEPA), contained in the Riegle Community Development and Regulatory Improvement Act of 1994, Public Law 103-325, 108 Stat. 2160 (60 FR 15463). These amendments, which became effective on October 1, 1995, are contained in § 226.32 of the regulation and impose new disclosure requirements and substantive limitations on certain closed-end mortgage loans bearing rates or fees above a certain percentage or amount. Creditors are required to comply with the rules in § 226.32 if the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount. The TILA and § 226.32(a)(1)(ii) of Regulation Z provide that the \$400 figure shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index (CPI) that was reported on the preceding June 1. See 15 U.S.C. 1602(aa).

The Bureau of Labor Statistics publishes consumer-based indices monthly, but does not "report" a CPI change on June 1; adjustments are reported in the middle of each month. The CPI-U is based on all urban consumers and represents approximately 80 percent of the U.S. population; the CPI-W is based on urban wage earners and clerical workers and represents about 30 percent of the population. The Board believes the index representing the broader population of U. S. consumers—the CPI-U—is the appropriate index to use in any adjustment to the \$400 dollar figure.

The adjustment to the \$400 dollar figure reflects the adjustment reported on May 15 (the rate "in effect" on June 1) which states the percentage increase from April 1994 to April 1995. During that period the CPI-U increased by 3.1 percent which would cause an adjustment of the \$400 to \$412.40. The

Board is rounding that number to whole dollars for ease of compliance.

Adjustment

Effective January 1, 1996, under § 226.32(a), a home mortgage loan is covered by § 226.32 if the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$412 or 8 percent of the total loan amount. The adjustment will be codified in the official staff commentary to Regulation Z.

By order of the Board of Governors of the Federal Reserve System, January 25, 1995.

William W. Wiles,

Secretary of the Board.

[FR Doc. 96-1859 Filed 1-30-96; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

13 CFR Part 107

Small Business Investment Companies

AGENCY: Small Business Administration.

ACTION: Final rule.

SUMMARY: This final rule revises the regulations found at 13 CFR Part 107, governing the Small Business Investment Company (SBIC) Program. It eliminates inconsistencies, clarifies procedures, accommodates program experience and industry changes, and provides for more efficient program operation. It also clarifies and shortens regulations where appropriate, eliminates redundant provisions, consolidates and reorganizes sections and clarifies ambiguous language.

EFFECTIVE DATE: This final rule is effective January 31, 1996.

FOR FURTHER INFORMATION CONTACT: Leonard Fagan, Office of Investment; telephone no. (202) 205-6510.

SUPPLEMENTARY INFORMATION: In response to a Memorandum from President Clinton for all federal agencies to simplify their regulations, SBA published a proposed rule on November 28, 1995, to revise the regulations governing the SBIC program. See 60 FR 58530 (November 28, 1995). The public was afforded a thirty-day period in which to submit comments on the proposed rule to SBA. During that period, SBA received over 30 letters containing over 200 comments. After giving careful consideration to the comments and concerns raised in those letters, SBA is today finalizing the proposed rule with certain modifications discussed below. Only those sections which have changed, which were commented on or which